

**Records.** The FAR outcome of Records involves ensuring that the contractor establishes and maintains the records of Government property in accordance with FAR 52.245-1 and any other contract terms and conditions (Note. This requirement does not extend to material released to the shop floor as work in process).

To test for compliance, the Property Administrator (PA) shall ensure the contractor:

- Identifies general-purpose components that are readily removable to comply with the disposition paragraph of FAR 52.245-1(j). Such items must be clearly reflected on inventory disposal schedules to augment reutilization.
- Maintains, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of material issued for immediate consumption (when approved by the PA on a contract-by-contract basis).
- Safeguards records from tampering or destruction.
- Contractor establishes records for all property in a timely manner upon receipt or fabrication.
- Records of weapons include all serial numbers.
- Provides a complete, current and auditable trail of all transactions, and contain:
  - The name, part number and description, manufacturer, model number, and National Stock Number (if needed for additional item identification tracking and/or disposition). These data elements may not always apply. For example, some property (e.g., material) items do not have model numbers.
  - Quantity received (or fabricated), issued, and balance-on-hand.
  - Unit acquisition cost, which means for Government-furnished property, means the dollar value assigned by the Government and identified in the contract. For contractor-acquired property, unit acquisition cost means the cost derived from the contractor's records that reflect consistently applied generally acceptable accounting principles.

Note: For contractor acquired property, depending on the contractor's accounting system, some contractors use a standard cost process (vs. actual cost) that "averages" the acquisition costs obtained on different purchase orders, batches, or lots. For example, due to quantities ordered, the price may be different; e.g., \$.10 one time, \$.06 the next time, \$.12 cents the next time. A system will average the price, and not retain the "actual cost" by purchase order, batch, or lot. This is sufficient.

- Unique-item identifier or equivalent if required by contract terms and conditions
- Unit of measure
- Accountable contract number or equivalent code designation
- Location
- Disposition
- Posting reference and date of transaction
- Date placed in service (not needed unless required by contract terms and conditions)

In addition to the normal "record to property" analysis, the PA shall perform a "property to record" review. This entails the random selection of property from the floor with the property then being traced back to the record to assure that a record has been generated or is being maintained.

Ideally, contractor records of controlled property should identify the appropriate level of control, ownership, and other information that fulfills organizational objectives (reference ASTM E 2279-03). However, in lieu of such identification, it is sufficient for the contractor's property management system to contain this necessary information.

In some cases, subcontractors establish and maintain the property records required under FAR 52.245-1. For example, where cost reimbursement purchase orders require the subcontractor to acquire property, or when other purchase orders require the delivery/acceptance of items at the subcontractor.